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C O N F I D E N T I A L SAN SALVADOR 002873

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TAGS: [PGOV](#) [KCOR](#) [PINR](#) [ES](#)
SUBJECT: EL SALVADOR'S NEW POPULIST THREAT ?

REF: SAN SALVADOR 2371

Classified By: Charge Michael A. Butler, Reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: Populist 41-year-old Mayor Wil Salgado of San Miguel (El Salvador's third-largest city) has publicly expressed his intention of running for president in the March 2009 national elections. Although a Salgado national victory in 2009 is highly unlikely, his popularity in the nation's eastern region has attracted the attention of both ARENA and the FMLN, as the two major parties study how his populist style might affect their own electoral possibilities. President Saca has told the Ambassador and other USG officials that he is concerned about the possibility of Salgado running on the National Conciliation Party (PCN) ticket and peeling-off right wing votes from the ARENA candidate, thus paving the way for an FMLN victory. Saca has said that he does not want a repetition of the recent Nicaraguan elections, in which a divided right caused Daniel Ortega's victory. Figueroa confided to Polcouns on November 29 that ARENA, the PCN and the PDC (Christian Democrats) are close to making a deal to separate the March 2009 elections into two rounds, the first in January 2009 for deputies and mayors, followed by a second round in March for the presidency. According to Figueroa, the January round would guarantee the PCN and PDC enough votes and legislative seats to survive as minority parties. In exchange, the PCN and PDC would guarantee ARENA that they would not run presidential candidates, thus allowing ARENA to run head-to-head against the FMLN. END SUMMARY.

¶2. (C) Jose Wilfredo Salgado Garcia was born March 13, 1966 to a family of poor coffee workers on a coffee plantation near the town of Santiago de Maria in Usulután Department. Following a youth spent in agricultural work, he served as a non-commissioned officer with the Salvadoran Special Forces during the war years. Salgado once claimed that during the war, he was trained in a clandestine school for snipers, where in his own words, he "learned to violate human rights, and was turned into a killing machine." (Note: The Embassy has no credible information that Salgado was actually involved in any such human rights violations, nor does his name appear in the UN Truth Commission Report. End Note.) Salgado continues to emphasize his military experience; the reception area of his office features a large painting in which he is depicted in Special Forces uniform brandishing an assault rifle. Following completion of his military service in 1986, Salgado sold lottery tickets on the streets of San Miguel until an ex-colonel engaged his services as manager of a privately-run military commissary. He later used the proceeds from that business to develop a successful chain of electrical appliance and household goods stores; Salgado now also owns both radio and TV stations. There have been widespread, but unconfirmed, reports that Salgado engaged in human and arms trafficking in recent past, and that most of his wealth has come from these activities.

13. (C) Salgado's successful business interests allowed him to build important political support and connections, and in 2000 he was elected Mayor of San Miguel on the center-left Christian Democratic Party (PDC) ticket. He switched to the Nationalist Republican Alliance (ARENA) and won reelection in 2003, and later defected to the center-right National Reconciliation Party (PCN), winning a third term in March 2006. Salgado is the most popular and powerful politician in the eastern half of El Salvador; he describes his style of leadership as simply responding to the needs of the community. He frequently holds open office hours, during which he attends to constituents' personal requests, be it for a wheelchair, prescription drugs, assistance in building a house, or the pavement of a local street. During occasional appearances on his own TV station, Channel 20, Salgado takes calls from constituents, attending to their needs immediately.

14. (C) In 1995, Salgado was arrested for being the alleged financier and ringleader of a group called "Sombra Negra" (Black Shadow), variously described as a law-and-order vigilante group, death squad, or simply as an organized-crime ring. Salgado was quickly released for lack of evidence; experts disagree on whether the group existed, and if indeed it ever did, the police (PNC) do not believe it currently exists. Salgado acknowledges the group's past existence, characterizing it as a "necessary evil", but denies ever having been a member; he once commented, "Deep down I like them, but they scare me." Notwithstanding persistent rumors of corruption and involvement in illicit business dealings, Salgado has proven to be a "Teflon" mayor. When the recent scandal broke regarding kickbacks and money laundering by fellow PCN member and Legislative Assembly Alternate Deputy Roberto Silva (ref. A), Salgado managed to brush off any possible connections with Silva and his companies, while admitting that Silva had once tried to bribe him to win contracts for public works projects in San Miguel. Although Salgado's appliance and household goods stores have been investigated by the Ministry of Finance, no solid evidence of malfeasance or other misdealings has ever emerged to support allegations by former political supporter Guadalupe Sorto and others of corruption, narcotrafficking, or the planning of assassinations. (Note: The Embassy possesses no solid derogatory information on Salgado; he holds a valid B1/B2 visa. End note.)

15. (C) Violent crime, extortion, and other gang activity are rampant in San Miguel, as elsewhere. In September, just as he was unveiling his presidential bid, Salgado announced that he was negotiating directly with San Miguel mara leaders in order to ameliorate the problem. The political elite scorned him for attempting to negotiate with extortionists, but many of his supporters applauded the directness of his move. Salgado holds that the military must be part of any effective solution to the nation's crippling crime problem, and he favors instituting a death penalty in El Salvador. He has argued for stricter gun control laws, and is in favor of a larger role for the private sector. Although he identified himself with three different political parties within the span of five years, Salgado has remained consistently right of center; he describes himself as a "barefoot rightist," meaning someone from the lower classes ideologically loyal to the right. Notwithstanding resentment within the PCN at Salgado's premature self-anointment as his party's candidate, he remains the PCN's strongest potential presidential candidate for 2009.

16. (C) COMMENT: Wil Salgado's electoral appeal at this time does not transcend the city of San Miguel and surrounding eastern departments, and his uneducated, crude persona is unlikely to propel him to national office. Nonetheless, it is clear to ARENA that, were Salgado to run on the PCN ticket, he could drain enough anti-FMLN votes away, especially among rural, conservative voters, to make the presidency more attainable to the FMLN. It is precisely for that reason, that the ARENA leadership will try to reach a backroom political compromise with the PCN to keep Salgado out. Knowing the PCN's penchant for political horse trading,

one may be sure the price will be high.
Butler